

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>WENDY S. ANDERSON,</p> <p>v.</p> <p>Respondent:</p> <p>BROOMFIELD COUNTY BOARD OF EQUALIZATION.</p>	<p>Docket No.: 66516</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on February 3, 2016, Debra A. Baumbach and MaryKay Kelley presiding. Petitioner was represented by James E. McCarty, Esq. Respondent was represented by Karl Frundt, Esq. Petitioner is protesting the 2015 actual value of the subject property.

Subject property is described as follows:

**4945 Bierstadt Loop, Broomfield, Colorado
Broomfield County Schedule No. R8865652**

The subject property is a 2,625 square foot ranch elevation with partially finished walkout basement and three-car attached garage. It was built in 2006 on an 11,682 square foot site, which is adjacent to open space and has panoramic mountain views. It is located in the age-restricted (55+) section of the Anthem Ranch neighborhood consisting of 1,029 ranch-style homes, walking trails, parks, and a 32,000 square foot clubhouse.

Respondent assigned an actual value of \$745,000 for the subject property, which is supported by an appraised value of \$760,000. Petitioner is requesting a value of \$670,650.

Petitioner, Ms. Anderson, presented no testimony but offered Exhibit 6, a written document outlining the appeal process to date. She described a variety of personnel throughout the process, different values at each step, and the inability to review documents prior to hearings. She also noted the 27.3% increase in actual value over the 2014 valuation.

Petitioner considered the four Vail models (the subject floor plan) to best represent the subject; they were more comparable than the larger Aspen model and the smaller Snowmass model within the Estate Series. Referencing page 4 of Exhibit 6, the four Vail models sold within the base period for a range of \$609,360 to \$745,000. Petitioner's requested value is the average of the four or \$670,650.

Ms. Anderson's narrative further reported the average base period sale prices of homes within the Estate series: \$670,633 (four Vail sales); \$696,319.40 (ten Vail and Aspen sales); and \$684,358.92 (twelve Vail, Aspen, & Snowmass sales). All averages were considerably lower than the assigned value of \$745,000, and, according to Ms. Anderson, averaging should have been the methodology used by the appraiser.

Ms. Anderson's narrative argued value decline. First, she highlighted two sales of the Vail plan, a September 2013 sale at \$745,000 and an April 2014 sale at \$628,170 (a \$116,830 decline in seven months). Second, she discussed Zillow-reported listing price reductions for 16535 Gray Way (Respondent's Sale 1) from \$740,000 to its final sale price at \$700,000. Third, she reported sales of three Aspen models at \$790,000 (August 2012), \$735,664 (January 2013), and \$755,000 (August 2013), indicating a \$35,000 value decline.

Petitioner described basement flooding and interior damage but did not contradict Respondent's response that mitigation was completed prior to January 1, 2015. No further discussion on the subject of flood and related damage occurred.

Respondent presented a value of \$760,000 for the subject property based on the market approach. Respondent's witness, Phil Gutherless, Certified General Appraiser for the Broomfield Assessor's Office, presented five comparable sales, three of which were Vail models (Sales 1, 4 and 5) and two Aspen models (Sales 2 and 3). Adjustments were made for sales concessions and time, lot size and view, improvement size, basement finish and walkout/garden, bathroom count, and year built. Mr. Gutherless placed most weight on Sales 1 (Vail model) and 2 (Aspen model) due to their similar views.

Mr. Gutherless' time adjustments (+.59% per month) were derived from a regression analysis (improved residential properties in Economic Area 2). Data was secured within a 24-month time frame and involved 169 properties.

Mr. Gutherless discussed his adjustments for view premium. Comparing view and non-view lots in the Estate series, he concluded to an average difference of \$115,890 and a median difference of \$125,821, reconciling to \$120,000. This adjustment was supported by additional analysis in the report and by noting the \$200,000 view premium paid by Petitioner to the builder in 2005.

Petitioner presented insufficient probative evidence and testimony to prove that the subject property was incorrectly valued for tax year 2015.

Both state constitution and statutes require use of the market approach to value residential property. "The actual value of residential real property shall be determined solely by consideration

of the market approach to appraisal." Section 39-1-103(5)(a), C.R.S. "Use of the market approach shall require a representative body of sales ... sufficient to set a pattern, and appraisals shall reflect due consideration of the degree of comparability of sales, including the extent of similarities and dissimilarities among properties that are compared for assessment purposes." Section 39-1-103(8)(a)(I), C.R.S.

Petitioner based her requested value on the average sale price of the four Vail models. Supportive evidence (averages of other Estate series models) was also based on averages. The Board gives little weight to this methodology. It does not satisfy statutory requirement; does not adequately address all features of the comparable sales; is not an approved methodology per statute; and is not recognized appraisal practice.

The Board has carefully reviewed Petitioner's arguments for value decline. While matched-pair sale data is an effective and acceptable methodology to determine market change, it alone is not reliable and is typically used to support a larger-area analysis such as that used by Respondent. Also, Petitioner's comparison of base sale prices is more reliable in a community of tract homes with few or no adjustments and less reliable in Anthem Ranch where site and improvement features carry significant premiums. Additionally, list price and final sale price of a single property (16535 Gray Way) is a single piece of data but does not address motivation for sale, an important factor for analysis of marketing time and exposure time. The Board gives greater weight to Respondent's regression analysis, which displays sale prices and sale dates over a two-year period and concludes to a central tendency.

The Board has no issue with Respondent's assignment of the subject's site adjustment (size, walkout, open space, and panoramic view). Respondent's witness presented a thorough comparison between view and non-view lots in the Estate series, concluding to average and median differences and reconciling to \$120,000. Petitioner presented no alternative methodology.

The Board recognizes the multiple stages in the assessment process, which include an initial computer-generated appraisal and appraisals performed by various personnel at the different levels of appeal. The appeals can be confusing and the appraisals complex. The Board is confident that the Broomfield assessor's office will take Petitioner's complaints seriously and make every effort to improve the process.

The Board suggests that assessor's office include sale prices in appraisal reports. Reporting only time-adjusted sale prices is confusing and omits basic information.

ORDER:

The petition is denied.

APPEAL:

If the decision of the Board is against Petitioner, Petitioner may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered)

If the decision of the Board is against Respondent, Respondent, upon the recommendation of the Board that it either is a matter of statewide concern or has resulted in a significant decrease in the total valuation of the respondent county, may petition the Court of Appeals for judicial review according to the Colorado appellate rules and the provisions of Section 24-4-106(11), C.R.S. (commenced by the filing of a notice of appeal with the Court of Appeals within forty-nine days after the date of the service of the final order entered).

In addition, if the decision of the Board is against Respondent, Respondent may petition the Court of Appeals for judicial review of alleged procedural errors or errors of law within thirty days of such decision when Respondent alleges procedural errors or errors of law by the Board.

If the Board does not recommend its decision to be a matter of statewide concern or to have resulted in a significant decrease in the total valuation of the respondent county, Respondent may petition the Court of Appeals for judicial review of such questions within thirty days of such decision.

Section 39-8-108(2), C.R.S.

DATED and MAILED this 18th day of February, 2016.



BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach

Debra A. Baumbach

MaryKay Kelley

MaryKay Kelley

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Milla Lishchuk

Milla Lishchuk